

CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008

	September-08					Current FYTD		Prior Year FY08		3 Years Ended 6/30/2008		5 Years Ended 6/30/2008	
	Allocation			Returns-Quarter		Returns		Returns		Gross	Net	Gross	Net
	Market Value	Actual	Policy(1)	Gross	Net	Gross	Net	Gross	Net				
LARGE CAP DOMESTIC EQUITY													
Structured Growth													
Los Angeles Capital	18,403,716	1.5%	1.5%	-12.83%	-12.89%	-12.83%	-12.89%	-7.57%	-7.79%	7.92%	7.68%	N/A	N/A
Total Structured Growth	18,403,716	1.5%	1.5%	-12.83%	-12.89%	-12.83%	-12.89%	-7.57%	-7.79%	7.92%	7.68%	9.81%	9.56%
Russell 1000 Growth				-12.33%	-12.33%	-12.33%	-12.33%	-5.96%	-5.96%	5.91%	5.91%	7.32%	7.32%
Structured Value													
LSV	17,388,478	1.4%	1.5%	-6.54%	-6.65%	-6.54%	-6.65%	-21.06%	-21.43%	4.24%	3.81%	12.00%	11.57%
Russell 1000 Value				-6.11%	-6.11%	-6.11%	-6.11%	-18.78%	-18.78%	3.53%	3.53%	8.92%	8.92%
Russell 1000 Enhanced Index													
Los Angeles Capital	37,185,297	3.0%	3.1%	-9.47%	-9.52%	-9.47%	-9.52%	-9.34%	-9.54%	7.20%	6.97%	N/A	N/A
Russell 1000				-9.35%	-9.35%	-9.35%	-9.35%	-12.36%	-12.36%	4.81%	4.81%	N/A	N/A
S&P 500 Enhanced Index													
Westridge	38,308,572	3.1%	3.1%	-7.96%	-8.06%	-7.96%	-8.06%	-11.80%	-12.18%	5.33%	4.98%	N/A	N/A
S&P 500				-8.37%	-8.37%	-8.37%	-8.37%	-13.12%	-13.12%	4.41%	4.41%	N/A	N/A
130/30													
State Street	12,016,755			-11.59%	-11.64%	-11.59%	-11.64%	-18.05%	-18.24%	3.31%	2.93%	6.91%	6.64%
Total 130/30	12,016,755	1.0%	1.0%	-11.59%	-11.64%	-11.59%	-11.64%	-18.05%	-18.24%	3.31%	2.93%	6.91%	6.64%
S&P 500				-8.37%	-8.37%	-8.37%	-8.37%	-13.12%	-13.12%	4.41%	4.41%	7.59%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	123,302,818	10.0%	10.2%	-9.34%	-9.42%	-9.34%	-9.42%	-12.42%	-12.71%	6.00%	5.68%	9.60%	9.31%
S&P 500				-8.37%	-8.37%	-8.37%	-8.37%	-13.12%	-13.12%	4.41%	4.41%	7.59%	7.59%
SMALL CAP DOMESTIC EQUITY													
Manager-of-Managers													
SEI	20,246,308	1.6%	1.7%	-6.38%	-6.64%	-6.38%	-6.64%	-20.05%	-20.93%	2.95%	2.06%	9.98%	9.10%
Russell 2000 + 200bp				-0.61%	-0.61%	-0.61%	-0.61%	-14.48%	-14.48%	5.88%	5.88%	12.50%	12.50%
Enhanced													
Research Affiliates	21,863,108	1.8%	1.7%	-2.07%	-2.34%	-2.07%	-2.34%	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000				-1.11%	-1.11%	-1.11%	-1.11%	-16.19%	-16.19%				
TOTAL SMALL CAP DOMESTIC EQUITY	42,109,416	3.4%	3.4%	-4.20%	-4.46%	-4.20%	-4.46%	-20.26%	-21.14%	2.86%	1.97%	9.92%	9.04%
Russell 2000				-1.11%	-1.11%	-1.11%	-1.11%	-16.19%	-16.19%	3.79%	3.79%	10.29%	10.29%
INTERNATIONAL EQUITY													
Large Cap - Active													
Capital Guardian	31,764,970	2.6%	3.1%	-18.98%	-19.12%	-18.98%	-19.12%	-11.80%	-12.37%	12.88%	12.24%	14.97%	14.35%
LSV	31,471,825	2.6%	3.1%	-16.88%	-17.02%	-16.88%	-17.02%	-25.29%	-25.78%	7.92%	7.37%	N/A	N/A
Total Large Cap - Active	63,236,795	5.1%	6.2%	-17.95%	-18.09%	-17.95%	-18.09%	-18.75%	-19.29%	10.42%	9.83%	14.05%	13.46%
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-16.79%	-16.79%	-15.14%	-15.14%	10.93%	10.93%	14.67%	14.67%
Small Cap - Value													
DFA	7,265,167	0.6%	0.8%	-20.71%	-20.83%	-20.71%	-20.83%	N/A	N/A	N/A	N/A	N/A	N/A
Total Small Cap Value	7,265,167	0.6%	0.8%	-20.71%	-20.83%	-20.71%	-20.83%	-12.11%	-12.74%	10.13%	9.30%	18.15%	17.27%
S&P/Citigroup BMI EPAC < \$2BN				-23.50%	-23.50%	-23.50%	-23.50%	-25.49%	-25.49%	7.39%	7.39%	17.33%	17.33%
Small Cap - Growth													
Vanguard	6,969,756	0.6%	0.8%	-22.98%	-25.01%	-22.98%	-25.01%	-17.06%	-17.52%	12.30%	11.77%	20.87%	20.18%
S&P/Citigroup BMI EPAC < \$2BN				-23.50%	-23.50%	-23.50%	-23.50%	-25.49%	-25.49%	7.39%	7.39%	17.33%	17.33%
TOTAL INTERNATIONAL EQUITY	77,471,718	6.3%	7.7%	-18.69%	-19.01%	-18.69%	-19.01%	-18.31%	-18.83%	10.40%	9.79%	15.19%	14.56%
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-16.79%	-16.79%	-15.14%	-15.14%	10.93%	10.93%	14.67%	14.67%

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	Allocation		Policy(1)	Returns-Quarter		Returns		Returns		Gross	Net	Gross	Net
	Market Value	Actual		Gross	Net	Gross	Net	Gross	Net				
DOMESTIC FIXED INCOME													
Core Bond													
Western Asset	178,974,974	14.5%	15.1%	-5.00%	-5.05%	-5.00%	-5.05%	2.27%	2.06%	2.97%	2.76%	3.76%	3.55%
Lehman Aggregate				-0.49%	-0.49%	-0.49%	-0.49%	7.12%	7.12%	4.09%	4.09%	3.86%	3.86%
Mortgage Backed													
Hyperion	34,444,194	2.8%	3.9%	-20.96%	-21.09%	-20.96%	-21.09%	-19.73%	-20.24%	N/A	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-1.46%	-1.46%	-1.46%	-1.46%	10.14%	10.14%				
Core Plus/Enhanced													
Clifton Group	54,513,733	4.4%	3.9%	0.77%	0.43%	0.77%	0.43%	11.68%	10.17%	N/A	N/A	N/A	N/A
Prudential	53,118,045	4.3%	3.9%	-1.28%	-1.35%	-1.28%	-1.35%	5.20%	4.89%	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	107,631,778	8.7%	7.8%	-0.25%	-0.46%	-0.25%	-0.46%	8.45%	7.55%	N/A	N/A	N/A	N/A
Lehman Aggregate				-0.49%	-0.49%	-0.49%	-0.49%	7.12%	7.12%				
Index													
Bank of ND	93,847,356	7.6%	6.8%	-1.23%	-1.24%	-1.23%	-1.24%	7.75%	7.68%	3.99%	3.93%	3.34%	3.28%
Total Index	93,847,356	7.6%	6.8%	-1.23%	-1.24%	-1.23%	-1.24%	7.75%	7.68%	4.04%	3.97%	3.40%	3.24%
Lehman Gov/Credit (2)				-1.64%	-1.64%	-1.64%	-1.64%	7.24%	7.24%	3.84%	3.84%	3.24%	3.24%
BBB Average Quality													
Wells Capital (formerly Strong)	183,496,214	14.9%	15.1%	-3.62%	-3.67%	-3.62%	-3.67%	3.76%	3.55%	3.26%	3.04%	4.08%	3.85%
Lehman US Credit Baa				-4.85%	-4.85%	-4.85%	-4.85%	2.62%	2.62%	2.52%	2.52%	3.59%	3.59%
TOTAL DOMESTIC FIXED INCOME	598,394,516	48.6%	48.8%	-4.29%	-4.37%	-4.29%	-4.37%	2.65%	2.32%	2.86%	2.64%	3.39%	3.22%
Lehman Aggregate (3)				-0.49%	-0.49%	-0.49%	-0.49%	7.12%	7.12%	4.09%	4.09%	3.73%	3.73%
INFLATION PROTECTED ASSETS													
Northern Trust Global Investments	133,284,176	10.8%	10.2%	-4.51%	-4.51%	-4.51%	-4.51%	15.69%	15.69%	5.82%	5.79%	N/A	N/A
Western	129,905,535	10.6%	10.2%	-5.36%	-5.37%	-5.36%	-5.37%	12.38%	12.34%	4.47%	4.42%	N/A	N/A
TOTAL INFLATION PROTECTED ASSETS	263,189,711	21.4%	20.4%	-4.93%	-4.94%	-4.93%	-4.94%	14.03%	14.00%	5.14%	5.10%	N/A	N/A
LB US TIPS Index				-3.54%	-3.54%	-3.54%	-3.54%	15.10%	15.10%	5.62%	5.62%	N/A	N/A
REAL ESTATE													
JP Morgan	84,217,744	6.8%	5.6%	-0.06%	-0.41%	-0.06%	-0.41%	0.61%	-0.77%	N/A	N/A	N/A	N/A
NCREIF Total Index				-0.17%	-0.17%	-0.17%	-0.17%	9.20%	9.20%	14.82%	14.82%	N/A	N/A
CASH EQUIVALENTS													
Bank of ND	42,594,514	3.5%	3.9%	0.48%	0.48%	0.48%	0.48%	3.43%	3.43%	4.10%	4.10%	3.38%	3.38%
90 Day T-Bill				0.63%	0.63%	0.63%	0.63%	3.63%	3.63%	4.27%	4.27%	3.18%	3.18%
TOTAL INSURANCE TRUST	1,231,280,437	100.0%	100.0%	-5.49%	-5.59%	-5.49%	-5.59%	0.68%	0.32%	4.96%	4.66%	6.34%	6.08%
POLICY TARGET BENCHMARK				-3.17%	-3.17%	-3.17%	-3.17%	3.94%	3.94%	5.71%	5.71%	6.47%	6.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(3) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.